

LAW OFFICES OF
ERSKINE & TULLEY
A PROFESSIONAL CORPORATION
220 MONTGOMERY STREET, SUITE 303
SAN FRANCISCO, CALIFORNIA 94104
PHONE: (415) 392-5431 FAX: (415) 392-1978

MORSE ERSKINE (1895-1968)
J.BENTON TULLEY (1908-1974)

April 25, 2007

Bevil's Floor Service
533 Burke Street
San Jose, CA 95112

Re: Employer No. 000-000020-000

Dear Management:

We represent the Trustees of the Northern California Floor Covering Industry Welfare Fund, and we are writing you concerning the liquidated damages for the months of September 2006 through February 2007 as follows:

<u>Employer No's</u>	<u>Work Month</u>	<u>Amount Due</u>
000-000020-000	9/2006	\$2,948.14
000-000020-000	10/2006	\$ 855.06
000-000020-000	11/2006	\$ 668.38
000-000020-000	12/2006	\$4,462.56
000-000020-000	1/2007	\$4,267.28
000-000020-000	2/2007	\$4,064.83

Under the terms of the Trust, a contribution payment must be received by the 20th day of the calendar month in which it becomes due, and if it is not, the account is listed as delinquent. The Trust Agreement provides that delinquent contribution payments are to be assessed liquidated damages at the rate of 20% of the amount of the contributions due or \$25.00, whichever is greater for each delinquent month. This agreement also provide that the employer is obligated to pay attorneys fees and court costs if legal action is necessary to collect the delinquency.

Please forward your check payable to the Northern California Floor Covering Welfare Fund in the total amount of \$ 17,266.25 for these liquidated damages TO THIS OFFICE within the next ten (10) days.

Please give this matter your immediate attention, so as to avoid the extra expense and inconvenience to you of legal action.

If you believe our information is inaccurate or that we are unaware of all of the pertinent circumstances in this matter, please contact me at once.

Yours very truly,

ERSKINE & TULLEY

by: Sharon Eastman
Assistant to Michael J. Carroll
SE/bms

Case 3:07-cv-03207-SF Document 17-1 Filed 05/13/2008 Page 2 of 2

Northern California Floor Covering Industry Welfare Fund

P.O. Box 23470
Oakland, CA 94623
(800) 320-0106 (510) 864-6411

May 1, 2007

Bevil's Floor Service
533 Burke Street
San Jose, CA 95112

RE: Assessment of Late Payments To Trust Funds – Employer # 000-000020-000

As you know, your Collective Bargaining Agreement provides that all contributions be received by the Trust Fund no later than the 15th day of the month due. This is to advise you that your payment for hours worked in **March 2007** was not received until after that due date.

WORK MONTH	CONTRIBUTIONS	POSTMARKED	LIQ. DAMAGES	TOTAL
03/07	\$28,206.00	04/20/07	^{5164.20} \$2,820.60	\$2,820.60

TOTAL AMOUNT DUE: \$2,820.60. Please send a copy of this letter along with a check payable to Northern California Floor Covering Trust Fund in the enclosed envelope within the next 10 days in order to avoid further legal action.

IMPORTANT NOTICES:

Liquidated damages have been assessed at 10% in accordance with the Trust Agreement. If all amounts due are not paid immediately, your account shall be referred to Collection Counsel for legal action and Liquidated Damages shall be increased to 20%. Also, you will become responsible for all other collection costs and attorney's fees.

As a result of the above *delinquency*, you may be required to post a Surety Bond, cash or other security acceptable with the Trust Fund in the amount of ten thousand dollars (\$10,000.00) for 0-10 employees, thirty thousand dollars (\$30,000.00) for 11-30 employees and sixty thousand dollars (\$60,000.00) for more than 31 employees for at least the next twelve (12) months. A separate notice shall follow from the Trust Fund Office.

If you think the above dates or amounts are incorrect or if you have questions regarding this notice, please contact this office immediately for clarification and assistance:

Sincerely,

Northern California Floor Covering trust Fund
Billing & Eligibility Department